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CUBA-US: Countering Radio Marti

A senior official in Cuban radio has said that Havana has set up a Radio Lincoln network to help wage a counteroffensive with which to "bombard the US the moment Radio Marti starts."

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The Cuban network reportedly will consist of 18 regular transmitters plus a "clandestine" one. Monitoring of Cuba's mediumwave radios indicates that several transmitters used for domestic broadcasts have not been on the air since last November. The mediumwave English-language broadcasts of Radio Moscow and Havana's Voice of Cuba, both of which were directed to the US from Cuba, also have been taken off the air.

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Comment: Havana is likely to use those transmitters recently withdrawn from service together with one or more new transmitters to create the Radio Lincoln network. The termination of the English-language programs probably was intended to remove any basis for justifying Radio Marti as retaliation.

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The extent of the effort to counter Radio Marti underscores Havana's deep concern about the potential impact of its broadcasts. The number of transmitters reportedly in the Radio Lincoln network

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suggest that Havana believes that deliberate interference with the broadcasts of US commercial stations will mobilize domestic pressure on the US to halt Radio Marti.

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USSR-IRAN: Expanding Trade

Iran is increasing its economic dealings with the USSR.

The Soviets announced on Thursday that bilateral trade increased to a record \$1.1 billion last year, more than double the abnormally low total for 1980 of \$515 million. The average before the Iranian revolution was about \$950 million. Much of the increase last year resulted from the Soviet purchase--for the first time--of Iranian oil

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The Iranians are hinting they might also resume exporting natural gas to the USSR, suspended since early 1980. On 6 February the Iranian Minister of Economics indicated that negotiations were under way. The Iranian Minister of Energy led a delegation to Moscow this week to discuss cooperation in the energy field.

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Soviet media, meanwhile, continue to highlight the work of the estimated 2,000 Soviet economic technicians and advisers working on a wide variety of projects in Iran and the training of Iranian economic specialists in the USSR.

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Comment: Trade with the USSR probably now accounts for about 5 percent of Iran's foreign trade, double what it was before the revolution. Tehran is more willing to expand trade with the USSR and the East European countries because of economic necessity, and because current Iranian leaders, including President Khamenei, are more receptive to closer relations with Moscow.

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[REDACTED]

CHINA: Offshore Oil Regulations

China's State Council on Wednesday approved regulations governing offshore oil exploration, a step that opens the door for a potentially massive exploration program in the country's continental shelf--one of the world's largest unexplored prospective regions.

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[REDACTED]

//The Ministry of Petroleum is establishing the China National Offshore Oil Corporation to take charge of the effort. The corporation is expected to issue invitations within the next month to 48 companies--many of which are US--to bid on large areas in the South China and Yellow Seas. The companies have completed extensive geophysical surveys at no cost to China.//

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[REDACTED]

//Japanese and French firms are already exploring the Bo Hai Gulf and the Gulf of Tonkin. The Chinese are exploring the middle section of the East China Sea, where two rigs are preparing to drill their second and third wells.//

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[REDACTED]

Comment: //The complex bidding process is likely to take at least a year. Exploratory drilling may begin by late 1983.//

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[REDACTED]

//The new regulations are badly needed to encourage production in China. Oil output is down 5 percent below its peak in 1979, and proven onshore reserves are insufficient to maintain production.//

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[REDACTED]

//No precise estimate of how much oil the companies are likely to find offshore can be made until exploratory drilling is well advanced. Several firms believe that offshore production could be on the order of 1 million barrels per day by the early 1990s--more than enough to offset further declines onshore.//

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[REDACTED]

//Seismic work and the few wells drilled so far indicate that there are many promising areas in the South China Sea. Results have been disappointing in other areas, particularly the Yellow Sea.//

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[REDACTED]

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USSR-INDOCHINA: Chief of General Staff Ends Visit

[REDACTED]
[REDACTED] China is publicizing Ogarkov's trip to increase suspicions in Southeast Asia of the Soviets and the Vietnamese. [REDACTED]

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Comment: The visit may not have been entirely cordial. The Lao probably were upset at having been excluded from Ogarkov's original itinerary. Hanoi publicly ignored Ogarkov's trips to Laos and Kampuchea, indicating continuing Vietnamese resentment of the USSR's efforts to establish independent links with its client states. [REDACTED]

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[REDACTED]
[REDACTED] the Soviets may have been investigating how well the Vietnamese have absorbed the large amounts of military aid provided in 1979 and 1980 before making significant new commitments. Soviet military aid deliveries to Vietnam dropped [REDACTED]
[REDACTED] last year. [REDACTED]

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[redacted]

EAST GERMANY: Peace Movement Gains Momentum

Demonstrations and petitions planned by young peace activists to protest East-West armaments may prompt a strong reaction by the regime which will sour church-state relations. [redacted]

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US Embassy sources report that activists plan to stage an unauthorized demonstration today in Dresden on the anniversary of the city's destruction during World War II. Local officials of the Lutheran Church have organized a public observance they hope will draw young people away from potential clashes with security forces. Some young people reportedly also plan marches at Easter to coincide with peace marches in West Germany. [redacted]

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A petition circulating this week in East German churches, factories, and among intellectuals calls for a European nuclear weapons free zone, the withdrawal of foreign troops from both Germanys, and an alternative "peace service" for East German youth. [redacted]

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Comment: The regime may be forced to abandon its cautious public response to the domestic peace movement, which has developed in the past year largely under the protection of pastors in the Lutheran Church. [redacted]

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[redacted]

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An insecure leadership nervous about any spontaneous popular movement may decide, however, that slowing the momentum of the peace movement outweighs the embarrassment of a crackdown. For example, the Politburo member responsible for security warned the leading Lutheran bishop last November that the regime is ready for a confrontation if dissenters push too hard. [redacted]

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A tougher line may not significantly undermine church support for the movement. The Lutheran hierarchy is divided over the question of challenging the government, but the decentralized church structure will allow more militant local congregations--such as those in Dresden--to urge wavering prelates to lend greater moral and practical support. [redacted]

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[redacted]

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SYRIA: Government Claims Victory in Hamah

[REDACTED]

The official Syrian news agency is claiming that the fighting has ended and that the main road through Hamah will be re-opened tomorrow. Although two minor incidents reportedly occurred in Aleppo on Tuesday, no serious fighting has been confirmed in other Syrian cities.// [REDACTED]

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Comment: President Assad's minority Alawite regime apparently has weathered the latest Sunni challenge. The methods used to quell the dissidents may intimidate the Sunni majority for a while, but their desire for revenge will ensure the continuation of terrorist attacks against government installations and regime officials and other limited acts of violence. [REDACTED]

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[REDACTED]

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THAILAND-BURMA: Impact of Antinarcotics Operations

//Government military operations under way in the Thai corner of the Golden Triangle against the Shan United Army are causing some disruption to drug processing and trafficking. Last year, the Shan United Army controlled 50 to 60 percent of the narcotics trafficking in the Golden Triangle and was the principal heroin exporter. Heroin from that region accounted for 15 percent of the heroin smuggled into the US in 1980. A considerable number of opium refineries are located near the region occupied by the Thai Army but on the Burmese side of the border.//

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Comment: //The Thai action will have little impact on raw opium production, most of which occurs in Burma, away from the border region. Production this year is likely to be about 600 tons, the same as in 1981. Even an extended Thai occupation would probably have little effect on heroin exports from the Golden Triangle, however, because the lucrative nature of the drug trade will provide a strong incentive for the Shan United Army or other groups to revive the operations at a safer location.//

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SPECIAL ANALYSIS

EL SALVADOR: Increasing Rightist Strength

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//Signs of growing political support for the right in El Salvador are alarming the cogoverning Christian Democrats and heightening their concern that the military is abetting the rightist electoral effort. The major political threat to the Christian Democrats comes from the old center-right National Conciliation Party, which held power from 1962 until the overthrow of General Romero in 1979. The party retains significant support among middle class and peasant groups.//

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//Over the past few months, the National Conciliation Party has used new faces and reformist rhetoric to broaden its appeal. It claims that it has established offices in all 14 departments and that it will field candidates for all 60 constituent assembly seats. These claims coincide with indications of growing local support for the party.//

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The National Republican Alliance of rightwing extremist leader Roberto D'Aubuisson also is showing some strength. It was created in 1980 to represent the interests of ultra-conservative landowners and industrialists--many of them expatriates living in Guatemala and the US.

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The party's articulate leadership and impressive funding appear to be broadening its appeal. Its most recent political convention attracted over 2,000 participants, and it also seems to be developing a grass-roots organization capable of gaining some peasant and worker support.

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//The edge in political organization at this point probably goes to the Christian Democrats, who thus remain the most potent of the seven parties contesting the elections in March.

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The Christian Democrats may estimate that these factors increase their political vulnerability and that they could offset the popular gains made through agrarian reform. Moreover, the violence will inhibit voter turnout, an eventuality widely believed to improve the rightists' electoral prospects. [REDACTED]

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//Defense Minister General Garcia has assured US officials that the military will refrain from a partisan role and that the parties will be enjoined from alleging links with the armed forces. Military officers, however, recently allowed spokesmen of the National Republican Alliance--whose blatant attempts at co-opting the armed forces reportedly have had significant success--to address troops at a post barracks.// [REDACTED]

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//President Duarte has admitted that the Christian Democrats could lose to the right but still maintains that a vigorous campaign will carry the day. Nevertheless, Duarte recently reminded US officials that a rightist victory would, among other things, force many of his party members into exile, curtail agrarian reform, and encourage the armed forces to follow increasingly repressive policies.// [REDACTED]

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